



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

January 9, 2008

TO: Executive Directors of Prepaid Inpatient Health Plans (PIHPs)
and Community Mental Health Services Programs (CMHSPs)

FROM: Irene Kazieczko, *Irene* Director
Bureau of Community Mental Health Services
Mental Health and Substance Abuse Administration

SUBJECT: FY 2007/2008 Mental Health Block Grant
Request for Proposals (RFP) - Adult Services
Homelessness/Systems Transformation Project
Proposal Application Deadline: February 15, 2008 at 12:00 noon

Attached for your careful review and response is a Community Mental Health Block Grant RFP aimed at assisting adults with mental illness in their recovery journeys through the development of Housing Resource Centers within PIHPs/CMHSPs. These centers will outreach to people with mental illness who are homeless and assist them in obtaining and maintaining independent living. This RFP is aimed at promoting the policy of the Michigan Department of Community Health (MDCH) to support our system transformation to one based on the fundamental principle of recovery for adults with mental illness. This system transformation effort is consistent with the recommendations of the Michigan Mental Health Commission, the state's Advisory Council on Mental Illness, and the Michigan Recovery Council. Community Mental Health Services Block Grant funds are targeted for development of new high-quality and culturally-relevant community-based services for adults with serious mental illness, as specified in the MDCH plan approved by the federal Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Mental Health Services (CMHS).

Resources for projects funded under this initiative will be available for 19 months, beginning March 1, 2008. A maximum of \$100,000 in block grant funds is available from March 1, 2008 to September 30, 2008, and a maximum of \$50,000, with an equal contribution from the PIHP/CMHSP, is available from October 1, 2008 to September 30, 2009. The PIHP/CMHSP must commit to continuation of the proposed services.

Only PIHPs or CMHSPs are eligible to submit proposals in response to this RFP. A program person and a budget person at the PIHP/CMHSP, who are knowledgeable

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about the proposal and able to make changes if needed, must be identified on the face sheet.

An **informational meeting** for those interested in responding to this RFP is scheduled for **Thursday, January 17, from 1:00 to 3:00 p.m.**, at the Capitol Commons Center, 400 South Pine Street, Lower Level Conference Rooms E and F, in Lansing (see attached driving directions). Representatives from MDCH, Michigan State Housing Development Authority (MSHDA), and the Department of Human Services (DHS) will be available to discuss the RFP and housing resources that are available for people with mental illness who are homeless. We strongly encourage the participation of the Executive Director or his/her designee from each PIHP/CMHSP at this meeting along with executive level staff from agencies that will partner with the PIHP/CMHSP on ending homelessness. For those who wish to participate by phone, there will be conference call-in availability. Please dial 1-877-873-8018 and, when prompted, enter passcode: 6694295. Those who plan to participate by phone or in person should contact Sue Eby at ebys@michigan.gov.

Attachments

cc: Janet Olszewski
Patrick Barrie
Advisory Council on Mental Illness
Michigan Recovery Council
Improving Practices Leadership Teams
Practice Improvement Steering Committee
Mental Health and Substance Abuse Management Team

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
BUREAU OF COMMUNITY MENTAL HEALTH SERVICES**

**COMMUNITY MENTAL HEALTH BLOCK GRANT
REQUEST FOR PROPOSALS - ADULT SERVICES
HOMELESSNESS/SYSTEMS TRANSFORMATION PROJECT**

**FY2008/2009 ONE-TIME ONLY FUNDING
SUBMISSION DUE DATE: FEBRUARY 15, 2008 AT 12:00 NOON**

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Purpose

This Request for Proposals (RFP) is aimed at assisting adults with mental illness in their recovery journeys through the development of Housing Resource Centers within PIHPs/CMHSPs. These centers will outreach to people with mental illness who are homeless and assist them in obtaining and maintaining independent living. This RFP is aimed at promoting the policy of the Michigan Department of Community Health (MDCH), under the leadership of Director Janet Olszewski and the vision of Governor Jennifer Granholm, to support our system transformation to one based on the fundamental principle of recovery for adults with mental illness. This system transformation effort is consistent with the recommendations of the Michigan Mental Health Commission, the state's Advisory Council on Mental Illness, and the Michigan Recovery Council. MDCH is making available Community Mental Health Block Grant funding to Community Mental Health Agencies. Mental health transformation services and activities must be based in recovery, consumer driven, culturally competent and, as much as possible, utilize existing evidence-based approaches, practice-based evidence, and promising practices. The goal is for people to live satisfying, hopeful, and contributing lives.

At this time the recovery model is the most invigorating source of hope for system change. It is the conceptual prism through which we deepen our understanding of the primary goals and values for services to adults with mental illness.

Type of Proposal Requested

MDCH is requesting proposals to create the capacity within the community mental health system to outreach to people with mental illness who are homeless and to assist them in obtaining and maintaining independent living.

To accomplish this, Prepaid Inpatient Health Plans (PIHPs) or Community Mental Health Services Programs (CMHSPs) will create a Housing Resource Center (HRC). The HRC will:

- take the lead on or participate in building intra and interagency service teams to address supportive service needs of people who are homeless;
- provide assistance in locating housing;
- provide outreach to eligible populations who live on the streets or in a shelter;
- identify system barriers to obtaining and maintaining independent living;
- participate in community coalitions (including HUD continuum of care);
- establish a process for improving landlord/tenant relations;
- establish a peer support position within the HRC that will also be the primary liaison with the Michigan Recovery Centers of Excellence; and
- provide access to supported independent living services, ACT teams, jail diversion programs, integrated treatment, supported employment, peer supports and other CMH services as requested to help maintain the person in independent living.

Proposals should reflect an ability and readiness to address a homeless population that has demonstrated additional issues of concern, which directly impact their homelessness, such as

co-occurring disorders. Interventions in this area are intended to address those who are homeless and have a mental illness; those who are homeless and have a mental illness and abuse substances; and those who require assistance in the areas of mental health assessment, detoxification, life skills training, employment opportunities, and coordination of services for the homeless. A housing first approach is required.

“More than a decade after the Federal Task Force on Homelessness and Severe Mental Illness called it “unacceptable” for people with serious mental illnesses to live in unsafe and threatening conditions, more than 630,000 individuals are homeless in this country on any given night (Burt et al., 2001). About half of all adults who are homeless have substance use disorders, and many have co-occurring mental illnesses, as well. Federal demonstration programs and the experience of hundreds of community-based providers offer a rich reservoir of evidence-based and promising practices.

“For example, recent studies reveal that the cost of providing permanent, supportive housing for people with serious mental illnesses is more than offset by savings incurred by the public hospital, prison, and shelter systems (Culhane et al., 2001). When nothing is done, people with serious mental illnesses and/or co-occurring substance use disorders who are homeless often cycle between the streets, jails, and high-cost care, including emergency rooms and psychiatric hospitals. This is inhumane, ineffective, and costly.

“Further, research reveals that people with serious mental illnesses and/or co-occurring substance use disorders who are homeless, once believed to be unreachable and difficult-to-serve, can be engaged into services, can accept and benefit from mental health services and substance abuse treatment, and can remain in stable housing with appropriate supports (Lam and Rosenheck, 1999; Morse, 1999; Lipton et al., 2000; Rosenheck et al., 1998). Clearly, the time has come to end homelessness among people with serious mental illnesses and/or co-occurring substance use disorders. We know what works. Now we must put what we know to work.”

(The above statement is from the preface to the SAMHSA Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and Co-Occurring Substance Use Disorders. DHHS Pub. No. SMA-04-3870, Rockville, MD: Center for Mental Health Services, SAMHSA, 2003). Please refer to this document as you respond:
<http://mentalhealth.samhsa.gov/publications/allpubs/SMA04-3870/default.asp>.)

Please note that proposals that include expenses for direct payment of rent, security deposits, utilities, insurance, furnishings, etc., for consumers are not acceptable. Projects are encouraged to use the housing assistance described in the Medicaid Provider Manual, Mental Health/Substance Abuse, 17.3.G and to link with the area 10-year plan to end homelessness.

If you have questions specific to the development of a housing resource center, please contact Sue Eby at (517) 241-7060 or ebys@michigan.gov

Funding Amount Available and Contract Period

All proposals must be submitted for a 19 month-year period. Each PIHP/CMHSP will be limited to one proposal. Proposals can be limited to certain counties within the PIHP/CMHSP area.

The maximum block grant funding amount available per project for the first seven months, March 1, 2008, through September 30, 2008, is \$100,000. For the second year, October 1, 2008, through September 30, 2009, a maximum of \$50,000 in block grant funds will be available and the PIHP/CMHSP must commit other public funding it manages to the project; this amount must equal 50% or more of the total project budget. Second year funding will be contingent upon satisfactory progress achieved during the first seven months as well as the availability of funds.

Continuation

The PIHP/CMHSP must agree to continue projects funded under this RFP and each proposal must address how the elements of the project will be continued at the end of the block grant funding period. For example, a service may be designed to take the place of a less successful service, which should be identified in the proposal, or the project may be continued with funds saved through administrative efficiencies. Note: The statement of continuation must be from the PIHP/CMHSP, not a provider or subcontractor.

The proposal narrative must be submitted in the format attached to this RFP. The components of the narrative, as well as the budget and budget narrative, must tie directly to the review criteria listed in this RFP.

Requirement for Linkage with the Recovery Center of Excellence

MDCH, in conjunction with the activities of the Michigan Recovery Council, has established a Recovery Center of Excellence. It is expected that proposals will include a peer support specialist who will link with the Center to support the transformation to a recovery-based system of care.

Target Population

Funding provided under this RFP must be used for adults with mental illness, who are living on the streets or in a shelter. PIHPs/CMHSPs are encouraged to use it to improve services for adults with mental illness who also have co-occurring substance disorders.

Use of Block Grant Funds

Consistent with federal and Michigan Mental Health Commission directions for state transformation activities, Community Mental Health Block Grant funds are to be used for activities designed to improve the system of care by promoting recovery. Transformational activities include the provision of evidence-based practices and innovative and promising practices, and the promotion of consumer-driven mental health care. All activities must be built

around and consistent with person-centered planning principles and practices. Consumers must have an informed choice regarding their service(s).

Federal mental health block grant funds may not be used to supplant existing mental health funding. It may not be used to fund Medicaid approved services for Medicaid recipients. Federal authorizing legislation specifies that these funds may not be used to:

- (1) provide inpatient services;
- (2) make cash payments to intended recipients of mental health services (e.g., stipends, rent or lease payments, utility arrearages, insurance, furnishings, etc.);
- (3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
- (4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or
- (5) provide financial assistance to any entity other than a public or nonprofit private entity.

MDCH contracts require that any service or activity funded in whole or in part with this funding be delivered in a smoke-free facility or environment.

In addition, this RFP emphasizes the mental health block grant's emphasis upon service provision, and the following restrictions are also included:

- (6) no medication purchases;
- (7) no vehicle purchases, leases, or insurance; and
- (8) no administrative or indirect expenses.

Note: There are three ways in which block grant funds may be used for project staffing so that no supplanting occurs:

- if the position is a new hire;
- if the position is assuming additional hours (i.e., part-time to full-time) and block grant funds are paying for the additional hours only; or
- if an existing staff member is assuming the duties of the new project and their old position will be back-filled with a new hire.

Review Criteria for Proposals Submitted in Response to this Request

Screening Review Criteria (must be met to be eligible for scored review):

1. Consumers had meaningful involvement in the process used to identify the need for the proposed project. The project will support consumers in the recovery process.
2. There is a firm commitment from the PIHP/CMHSP that the services will continue after grant funds have ended. Positions for consumers funded under the proposal will remain in place after the grant period is over.

3. There is a firm commitment from the PIHP/CMHSP to take the lead on or participate in building intra and interagency service teams to address supportive service needs of people who are homeless;

Additional Screening Review Criteria:

- Priority will be given to projects that serve rural counties; and
- The Scored Review Criteria are included in the Proposal Narrative attachments.

Proposal Reviews

Proposals will be reviewed by a team of at least three people, consisting of one or more consumer of mental health services and the program area specialist.

Proposal Requirements

A Proposal Narrative must be submitted in the attached format. Please number each section to match the attached document. This narrative is limited to ten (10) pages.

- A workplan that addresses the project period of March 1, 2008 through September 30, 2008, including specifies goals, measurable objectives, and concrete activities that will be achieved during each quarter. DO NOT include reference to the proposal narrative or its attachments in the documents because the year one workplan will become part of the contract. All pertinent workplan information must be included in the workplan itself.
- A detailed Program Budget Narrative, which explains expenditures and provides rationale. NOTE: Please also include a detailed description of any provider or subcontractor expenses listed on the contractual line.
- A Program Budget Summary and Program Budget Cost Detail. MDCH forms 0385 and 0386 are contained in Attachment B of this RFP and the most current versions are accessible from the MDCH website at www.michigan.gov/mdch, click on Mental Health and Substance Abuse, click on Mental Health and Developmental Disability, click on Requests for Proposals and Grants.

The following additional information must be included in proposals:

A separate second-year workplan that addresses the project period of October 1, 2008 through September 30, 2009, which includes specifies goals, measurable objectives and concrete activities that will be achieved during each quarter of the proposed second year.

- A Program Budget Narrative for the proposed second year of the project, which explains expenditures and provides rationale.

- A Program Budget Summary and Program Budget Cost Detail for the second year of the proposed project period.
- A composite Budget Summary for the two-year period.

Submission Method and Due Date

One original plus three copies of all proposals, including the signed face sheet, must be received at the Department of Community Health to the attention of Karen Cashen, Adult Block Grant Coordinator, at the address listed below by **12:00 p.m. on February 15, 2008**. In addition, an electronic copy of each proposal, with an electronic copy of the face sheet, must also be submitted to Karen Cashen at cashenk@michigan.gov by **12:00 p.m. on February 15, 2008**.

The mailing address is:

Karen Cashen, Adult Block Grant Coordinator
Department of Community Health
Bureau of Community Mental Health Services
320 S. Walnut, 5th Floor
Lansing, MI 48913

Note: All electronic documents, with the exception of the signed face sheet, support letters, or interagency agreements, must be submitted in Microsoft Word or Excel. Signatures other than the PIHP/CMHSP director will not be accepted. If you have general questions about the RFP, please contact Karen Cashen at (517) 335-5934 or e-mail at cashenk@michigan.gov